

EXHIBIT 2

(Proposed Redactions to Document
Filed Under Seal at ECF No. 10-17)

Exhibit Q

EXHIBIT FILED UNDER SEAL

James Ryan Highly Confidential
April 06, 2023

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Page 1

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
Docket No. 9412

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In the Matter of: :
: :
MICROSOFT CORPORATION, :
: :
a corporation, : Highly Confidential
: :
- and - :
: :
ACTIVISION BLIZZARD, INC., :
: :
a corporation. :
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Videotaped Deposition of:

JAMES RYAN, in his individual
capacity and as Corporate Representative for
Sony Interactive Entertainment.

Taken on Thursday, April 6, 2023, at 8:30 a.m.
at the offices of Cleary Gottlieb, 2112 Pennsylvania
Avenue, NW, 10th Floor, Washington, D.C., before
Teague Gibson, a Notary Public.

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James Ryan Highly Confidential
April 06, 2023

34 to 37

<p style="text-align: right;">Page 34</p> <p>1 Q Do you think that this collaboration with</p> <p>2 Activision has lead to better features on</p> <p>3 PlayStation's Gen 5 consoles?</p> <p>4 A I believe that to be the case.</p> <p>5 Q If you look at the next sentence of the</p> <p>6 very last sentence on the page, that reads: This</p> <p>7 partnership would be lost. And it goes on to the</p> <p>8 next page, it continues: Once Microsoft acquired</p> <p>9 Activision and SIE could no longer share</p> <p>10 confidential details about its next console in</p> <p>11 development. Do you see that language?</p> <p>12 A I do.</p> <p>13 Q Why could SIE no longer share confidential</p> <p>14 details about its next console and development once</p> <p>15 Microsoft acquired Activision?</p> <p>16 A We simply could not run the risk of a</p> <p>17 company that was owned by a direct competitor having</p> <p>18 access to that information.</p> <p>19 Q What would be the risk of your direct</p> <p>20 competitor having access to that information?</p> <p>[REDACTED]</p> <p>25 Q Are PlayStation 5's features of benefit to</p>	<p style="text-align: right;">Page 36</p> <p>1 Q Why do you think that a Microsoft owned</p> <p>2 Activision would not be incentivized to do that?</p> <p>3 A I believe that their incentives -- their</p> <p>4 primary incentive will, at post-acquisition, would</p> <p>5 be to optimize its overall Xbox business, not the</p> <p>6 business of Activision.</p> <p>7 Q What, in your view, is Activision's</p> <p>8 primary incentive right now, as an independent</p> <p>9 company?</p> <p>10 A As an independent company, Activision is</p> <p>11 incentivized to make great games on all platforms.</p> <p>12 Q Is that what they do?</p> <p>13 A That's what they do.</p> <p>14 Q The next sentence reads: [REDACTED]</p> <p>[REDACTED]</p> <p>Do you see that language?</p> <p>18 A I do.</p> <p>19 Q Who is Mojang?</p> <p>20 A Mojang is the developer Minecraft.</p> <p>21 Q Is Minecraft a game?</p> <p>22 A Yes, sorry, Minecraft is a game.</p> <p>23 Q Did Microsoft acquire Mojang around 2014?</p> <p>24 A I believe it was around about then, yes.</p> <p>25 Q Was Minecraft already available on</p>
<p style="text-align: right;">Page 35</p> <p>1 gamers, in your view?</p> <p>2 A In my view, yes.</p> <p>3 Q Why is that?</p> <p>4 A We believe that they provide for more</p> <p>5 enjoyable and more realistic gaming experiences.</p> <p>6 Q In your view, do those features approved</p> <p>7 point of differentiation for PlayStation?</p> <p>8 A In my view, yes.</p> <p>9 Q Looking at the next sentence that reads:</p> <p>10 Even if some Activision games remained on</p> <p>11 PlayStation, SIE could not share in-development</p> <p>12 console features with a Microsoft controlled</p> <p>13 Activision and Activision would have less of an</p> <p>14 incentive to develop its games to take advantage of</p> <p>15 unique PlayStation features or help SIE develop</p> <p>16 better consoles. Do you see that language?</p> <p>17 A I do.</p> <p>18 Q Why, in your view, would Activision have</p> <p>19 less of an incentive to develop its games to take</p> <p>20 advantage of unique PlayStation features or help</p> <p>21 Sony develop better consoles?</p> <p>22 A I believe that Microsoft owned that</p> <p>23 division would not be incentivized to develop games</p> <p>24 that take advantage of features that PlayStation has</p> <p>25 or that Xbox does not have?</p>	<p style="text-align: right;">Page 37</p> <p>1 PlayStation consoles when Microsoft acquired Mojang?</p> <p>2 A Yes, it was.</p> <p>3 Q When Microsoft acquired Mojang, [REDACTED]</p> <p>[REDACTED]</p> <p>7 Q If you look at the next sentence it reads:</p> <p>[REDACTED]</p> <p>Do you see that language?</p> <p>11 A I do.</p> <p>12 Q Why is it that [REDACTED]</p> <p>[REDACTED]</p> <p>15 Q Does that go back to your concern about</p> <p>16 your direct competitor having access to your</p> <p>17 information about consoles in development?</p> <p>18 A It does.</p> <p>19 Q How sensitive is information about</p> <p>20 features in development for PlayStation consoles?</p> <p>21 A Immensely sensitive.</p> <p>22 Q What is a game development kit?</p> <p>23 A It is a combination of hardware and</p> <p>24 software that game developers use in order to be</p> <p>25 able to create gaming content.</p>

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April 07, 2023

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Vol. II

Videotaped Deposition of:

JAMES RYAN, as Corporate Representative
for Sony Interactive Entertainment.

Taken on Friday, April 7, 2023, at 8:00 a.m. at
the offices of Cleary Gottlieb, 2112 Pennsylvania
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James Ryan Highly Confidential
April 07, 2023

38 to 41

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1 quite ill. Anyone else?

2 A No.

3 Q On March 31st Sony filed observations on

4 the CMA's addendum to the provisional findings. Did

5 you review this before it was submitted to the CMA?

6 A I don't recall.

7 Q I assume it's an authorized finding -- I

8 mean, filing because it is signed and noted as Sony

9 Interactive Entertainment observations, correct?

10 A You can make that assumption.

11 Q Did you know that it was getting filed?

12 A Yes, I did.

13 Q Did you ask to review it?

14 A I don't recall.

15 Q Did you know that Sony criticized the CMA

16 for changing its position on its consoles theory of

17 harm as surprising, unprecedented and irrational?

18 A Yes.

19 Q You're comfortable with that language?

20 A Yes.

21 Q That the regulator is acting irrationally?

22 MR. GELFAND: Object to the form.

23 A In our opinion, yes.

24 (Exhibit No. RX 97 was marked)

25 Q Let's take a look at RX 97, please. This

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1 is an e-mail, at least at the top, Mr. Ryan, to

2 Mr. Rosenberg and others from you on June 9th, 2022.

3 Have you ever heard the term circuit breaker in the

4 context of gaming agreements?

5 A I don't believe I have.

6 Q Do you recognize this e-mail?

7 A I do not recall it actually. It is

8 addressed to me.

9 Q And you see Mr. Rosenberg is writing to

10 you at the bottom of the e-mail and he's talking

11 about [REDACTED] do see that?

12 A Correct, I do.

13 Q And the first thing he says, [REDACTED]

[REDACTED]

[REDACTED] is that

17 accurate?

18 A I believe so.

19 Q So it's not just [REDACTED]

[REDACTED]

23 A This e-mail talks about [REDACTED]

24 specifically.

25 Q Right. And are you saying [REDACTED]

Page 40

1 [REDACTED]

2 A No, I'm not saying that.

3 Q So it also says that [REDACTED]

[REDACTED]

7 that accurate?

8 A I believe so.

9 Q It turns to [REDACTED] and says [REDACTED]

[REDACTED] that's true,

11 right?

12 A Correct.

[REDACTED]

23 Q Here it says [REDACTED]

[REDACTED] is that accurate?

25 A [REDACTED]

Page 41

1 Q In fact, in B it says, [REDACTED]

[REDACTED] correct?

4 A Correct.

5 Q [REDACTED]

[REDACTED] is that accurate?

7 A I believe so.

8 Q [REDACTED]

[REDACTED]

20 Q Why would you [REDACTED]

[REDACTED]

25 Q How does it benefit you to [REDACTED]